

**CENTRAL INTELLIGENCE GROUP**

**WASHINGTON D.C.  
19 November 1946**

**Country: Czechoslovakia**  
**Subject: Secret Fund for Army Use**

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1. The secret fund of several billion Kcs for the development of the army is still under discussion. The discussions of the ways and means committee of the Parliament center not so much on the principal but on particulars of the allocations.
2. Even though many Czechoslovak leaders take the position that an extensive development of the Army is fruitless for a small state, as witnessed by pre-war Czechoslovakia, no opposition is voiced against the new tax load which will result from this added expenditure. The recognized secret fund is an implementation of the Soviet-Czechoslovak Treaty in consequence of which the Soviets expect the Czechs to develop a certain military potential.
3. The potential will be expensive for the Czechoslovak Army which practically is starting to build itself up from scratch. Besides the purchase of material, it is believed that it can be expected that the money will be allocated for research in radar, rocket propulsion, and nuclear physics. Comment: the new budget of the Government included a secret fund of Kcs. 11,000,000,000 for the use of the Army.)

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